



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 1, 2002

### **H.R. 4129**

**A bill to amend the Central Utah Project Completion Act to clarify the responsibilities of the Secretary of the Interior with respect to the Central Utah Project, to redirect unexpended budget authority for the Central Utah Project for wastewater treatment and reuse and other purposes, to provide for prepayment of repayment contracts for municipal and industrial water delivery facilities, and to eliminate a deadline for such prepayment**

*As ordered reported by the House Committee on Resources on May 22, 2002*

### **SUMMARY**

H.R. 4129 would make several amendments to the Central Utah Project Completion Act (CUPCA). These amendments include provisions that would make certain federal planning and development costs nonreimbursable and remove a deadline for the prepayment of water project construction costs under existing authority.

Based on information from the Department of the Interior, CBO estimates that enacting this bill would result in a loss of offsetting receipts (a credit against direct spending) of nearly \$1 million each year, totaling about \$43 million over the 50-year period beginning in 2005. Enacting H.R. 4129 would affect direct spending; therefore, pay-as-you-go procedures would apply.

H.R. 4129 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 4129 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars					
	2002	2003	2004	2005	2006	2007
<b>CHANGES IN DIRECT SPENDING <sup>a</sup></b>						
Estimated Budget Authority	0	0	0	1	1	1
Estimated Outlays	0	0	0	1	1	1
a. The costs of enacting the bill would continue at about \$1 million a year for 50 years.						

## BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 4129 will be enacted in fiscal year 2002. Two provisions of the bill could impact the federal budget. First, it would make certain federal planning and development costs for the Central Utah Project nonreimbursable. It also would remove the current 2002 deadline for the project beneficiaries to prepay certain construction costs for a portion of the Central Utah Project that is not yet completed. The other provisions of H.R. 4129 would have no significant impact on the federal budget.

Based on information from the Department of the Interior, CBO estimates that about \$26 million in previously expended investigative costs would become nonreimbursable by project beneficiaries under this bill. For this estimate, CBO assumes that the loss of these receipts would occur over a typical 50-year repayment period starting in 2005. Including both principal and interest payments, CBO estimates that this provision would result in the loss of \$43 million in receipts over that period.

H.R. 4129 also would change the date that the federal government would receive the final payment for a water project contract under CUPCA. Under current law, the local water district is required to pay the final installment of the contract of about \$270 million by the end of fiscal year 2002. The construction of the water project, however, is only two-thirds complete. The Department of the Interior expects that the water project will be completed in 2005, assuming adequate funds are appropriated each year to complete construction. Because construction of the water project is not complete, the district cannot generate operating income to make the final payment. CBO does not expect the final project payment will be made in 2002 under current law. Extending the deadline would not cause the payment to occur later because that payment is contingent upon completion of the project (which, in turn, depends on the availability of appropriated funds).

## **PAY-AS-YOU-GO CONSIDERATIONS**

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects through 2006 are counted.

	By Fiscal Year, in Millions of Dollars										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Changes in outlays	0	0	0	1	1	1	1	1	1	1	1
Changes in receipts	Not applicable										

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 4129 contains no intergovernmental or private-sector mandates as defined in the UMRA and would impose no costs on state, local, or tribal governments.

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